

BEVERLY HILLS – PARKING MANAGEMENT RFP

ADDENDUM # 1



PROJECT NUMBER: 37-8250.00

PAGE 1

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|-----------------|--|
| DATE: | 04/08/2013 |
| WHO: | Approved List of Bidders |
| HOW: | Via email |
| ORIGINAL TO: | Project File |
| COPIES TO: | Chad Lynn – Beverly Hills |
| | Mario Inga – Beverly Hills |
| BY: | Phillp Schragal |
| PROJECT NAME: | Beverly Hills – Parking Management RFP |
| PROJECT NUMBER: | 37-8250.00 |
| SUBJECT: | Addendum # 1 |

To All,

Attached below are the questions submitted and the answers provided by the City of Beverly Hills with regard to the captioned Request for Proposal.

No further questions will be answered at this time.

Proposals are due April 18, 2013 before 2:00 PM.

Hard copies of Addendum # 1 will not be issued.

Thank you,

Phill Schragal
Walker Parking Consultants

General Questions:

1. Page 37 of the RFP references a "PROPOSAL BOND". If we submit a \$5,000-cashier's check with our proposal, will that negate the need for a Proposal Bond?

Response: Yes

2. Page 38 references a 'PERFORMANCE BOND' covering 100% of the total contract sum. Does that mean the first year of the contract or the first three (3) years? Also, is the cost for this bond considered a pass-through expense?

Response: Year one only; this expense is not considered a pass-through expense. The Performance Bond shall be in the amount equal to the amount of the first year's budget. The term shall be the total Contract "not to exceed" amount consisting of the base proposal stated in the Operator's proposal.

3. Page 39 references a 'PAYMENT BOND' covering 100% of the total contract sum. This bond seems to be redundant as it is practically identical to the Performance bond. Are both bonds required and if yes, is it for one year, three years or possible five? Also, is the cost for this bond considered a pass-through expense?

Response: Both bonds are required; the Payment Bond shall be in the amount equal to the amount of the first year's budget. The term shall be the total Contract "not to exceed" amount consisting of the base proposal stated in the Operator's proposal.

4. Is it correct that the parking employees are not covered by any Collective Bargaining Agreement (CBA)?

Response: The City is unaware of any Collective Bargaining Agreement for the current Operator's employees.

5. Is it correct that the City of Beverly Hills does not have a Living Wage Ordinance?

Response: The City does not have a Living Wage Ordinance.

6. Has the Parking Access and Revenue Control System (PARCS) equipment been updated to be fully PCI-compliant?

Response: The City is working towards full PCI compliance with the parking equipment vendor; target date for full compliance is November 2013.

7. Is there a Parking Access and Revenue Control System (PARCS) Preventive Maintenance Agreement in place? If yes, who provides it? Who pays for it (City or Contractor), and what is the monthly charge?

Response: A preventive maintenance Agreement is in place with Sentry Control Systems; the City pays for the Agreement on an annual basis.

8. During our tour and walkthrough (today), we noticed a significant number of traffic cones, barricades, movable signs, podiums, etc. To whom does this equipment belong?

Response: Cones, barricades, signs belong to the City.

9. The various parking offices contained furnishings, office equipment, computers, fax machine, copiers, etc. To whom does this equipment belong?

Response: PARCS computers belong to the City; other computers, copiers, furniture, podiums belong to the Operator.

10. As a follow-up to the two (2) previous questions, if the incoming operator must procure any or all of the above-referenced items, would the expense be a pass-through?

Response: Operators should budget required equipment as an approximate start-up expense.

11. In regards to "QUALIFICATIONS/MANAGEMENT EXPERIENCE" and 'MANAGEMENT STAFF AND QUALIFICATIONS', should we include all relevant experience, even if that relates to a previous employer?

Response: Yes, please list all relevant experience.

12. Is any "SECURITY" present when we are collecting from the various POF machines?

Response: No

13. Are we correct in assuming that the General Manager and Parking Manager are to be full-time and exclusive to the City of Beverly Hills contract (no outside responsibility)?

Response: Yes, both positions should be exclusive to the City accounts and the responsibilities associated with the Agreement by and between the Operator and the City.

14. Are the two-way radios presently the property of the City? How many are there?

Response: The radios are the property of the current Operator. At this time only the Montage (241 N Canon – 242 N Beverly) has radios, there are four (4).

15. Does the Operator pay for "TRASH COLLECTION SERVICES (dumpsters)? If yes, who is the current service provider and what is the cost per month, per location?

Response: No, this expense is paid by the City.

16. If the Operator must provide "POWER SWEEPING", who is the current service provider and what is the cost per month, per location?

Response: The City has an Agreement with DMS; service is paid for by the City.

17. "EXHAUST SYSTEM MAINTENANCE". If the Operator is to provide for this service, who is doing the work now and what is the cost per month, per applicable location?

Response: Each system is maintained by a third-party vendor; vendors differ by location.

18. "PETTY CASH ACCOUNT". Approximately how much petty cash and operating funds are necessary to properly service this account and the various POF devices?

Response: Per Section 5(u) of the RFP, Operator shall fund and maintain the petty cash account; the amount required to adequately fund this account shall be determined by the Operator; based upon their assessment of the magnitude of the actual operation.

19. "MONTHLY COMPENSATION DEDUCTIONS". Could you please provide a twelve-month history (dollar amount) of the deductions that have been applied to the

current operator on a per-category basis, for the specific items referenced on Pages 23 and 24?

Response: No deductions have been incurred by the current Operator.

20. Operator shall list all self-park and valet parking operations they have managed (not subcontracted) over the past five-years that are located within a fifteen (15) mile radius of Beverly Hills, and are "public facilities" consisting of at least 500 spaces," does "public facilities" mean public sector contracts or both public sector and/or commercial facilities?

Response: Public and Commercial facilities.

21. Section 1 Item "L" calls for a \$5,000 Proposal Security Deposit while the proposal bond form on page #37 calls for a minimum of 10% of the contract value. Which is correct?

Response: Refer to the answer provided for question #1.

22. Is the proposal sum for the Proposal Bond based on the annual, the three year base or the five year extended total as bid?

Response: Refer to the answer provided for question #2.

23. Is the contract sum for the Performance Bond based on the annual, three year base or the five year extended total as bid?

Response: Refer to the answer provided for question #2.

24. Can you provide a copy of last fiscal year actuals to budget by month for each facility and/or a cumulative annual summary?

Response: This information will not be provided.

25. Can you provide a copy of the current staffing levels for each of the facilities?

Response: The City anticipates that each Operator will propose the optimal level of staffing they feel is required to meet the scope of work outlined in the RFP.

26. Can you provide a copy of the current positions by facility and their respective wage rates?

Response: The current staff is as follows:

- 1 Facility Manager for locations included in the RFP, \$50,000 annual;
- 1 Assistant Manager all the locations included in the RFP, \$40,000 annual;
- 3 Office Clerks (2 at 241 N Canon – 242 N Beverly, 1 at 450 N Crescent) salary range: \$27 to \$30,000 annual;
- 3 Supervisors (2 at 241 N Canon – 242 N Beverly, 1 for the valet assist station at 438 N Beverly – 439 N Canon); current wage rate for Supervisor is approximately \$14 per hour;
- 1 full time and 1 part time maintenance employee; current rate for maintenance employees is \$9 per hour;
- 10 valet assist employees (8 at 241 N Canon – 242 N Beverly, 1 at 450 N Crescent, and 1 at 438 N Beverly – 439 N Canon). The current rate for Valet employees is \$9 per hour.



While the above represents current rates, proposals are not required to match the existing rates.

27. Can you provide the total contract hours (last FY or 12 month YTD) for each category, preferably by locations (GM, Managers, Supervisors, Attendants (CS), Maintenance, Clerical).

Response: Refer to the answer provided for question #25.

28. Will current employees be made available for interview and/or hire?

Response: The current operator has expressed the fact that they will make available the current staff for interviews and/or hire.

29. Can you provide copies of the current Monthly Operations Summary reports (last FY or 12 month YTD)?

Response: This information will not be provided.

30. Is there a current policy for Valet receiving tips from customers?

Response: There is no policy in place with regard to tipping.

31. Can you provide a monthly permit volume count by facility (last FY or 12 month YTD)?

Response: Please refer to the table provided below:

| Location Name | Monthly Accounts | Number of Parkers |
|----------------------|------------------|-------------------|
| The Beverly Gardens | 26 | 286 |
| 321 S. La Cienega | 27 | 175 |
| 9510 Brighton Way | 18 | 37 |
| 450 N Crescent Drive | 39 | 96 |
| 461 N Bedford Drive | 85 | 289 |
| 485 N Camden (SM-5) | 14 | 25 |
| 333 N Crescent Drive | 133 | 295 |
| 221 N Crescent Drive | 159 | 484 |
| 450 N Rexford | 3 | 50 |
| 440 N Camden Drive | 59 | 114 |
| 438 N Beverly Drive | 4 | 36 |
| 216 S Beverly Drive | 1 | 1 |
| 9333 W Third Street | 5 | 275 |
| Total: | 573 | 2163 |

32. Can you provide a daily transient volume count summary by facility (last FY or 12 month YTD)?

Response: Two excel files are included: "Beverly Canon - Public Gardens - Daily Transactions Summary 2012 - 2013" and "450 N Crescent - Daily Transactions Summary 2012 - 2013"

33. What is the monthly permit oversell policy if any?

Response: At the moment the City does not oversell monthly permits.

34. Are there limits to the number of monthly permits issued by facility and if so what are they?

Response: The Permit limits are based on the total number of available parking spaces by facility.

35. Can you provide the number of Valet events by facility and number of valet personnel provided for the last FY or 12 month YTD?

Response: In 2012, the 241 N Canon – 242 N Beverly facility had events that were primarily self-parked. The Montage Hotel has a different valet parking company that provides service for events from the front of the hotel.

36. What are the current Valet Parking fees, by location and/or event?

Response: There are no valet parking fees currently.

37. Are there a projected number of events where valet parking will be offered for the inaugural year of the Annenberg Theater once open?

Response: The City does not have a projected number to date. The Annenberg is still developing their calendar of events.

38. Please confirm that other than replacing signage lighting, the vendor will only report garage lighting fixture outages to the Authority for repair (ballasts, bulbs, etc.)

Response: Per Section 5 o (v) the above statement is correct.

39. Please provide details on how the Petty Cash Account is funded and maintained in order to keep the POF devices replenished.

Response: Refer to the answer provided for question #18.

40. Section 5, Item "O – ix" Other Services, is there a cap on this item? If not please provide a historical perspective on these types of services as required and the dollar amount expended and reimbursed.

Response: There is no cap on the additional services that may be required by the City; furthermore, the cost of any City requested additional services shall be negotiated with the City prior to implementation.

41. Please confirm that the General Manager is 100% dedicated to the management of the Beverly Hills assets. If not, can you provide the expected amount of weekly hours or annual % allocation of time the GM is expected to work on the Beverly Hills assets?

Response: Refer to the answer provided for question #13.

42. Are the current attendants provided with health retirement and benefits?

Response: Refer to answer provided for question # 4; additionally, any health and retirement benefits offered to employees by the Operator shall be consistent with other similar type operations managed by same.

43. Can you provide an inventory of the office items that are currently owned by the incumbent operator that will need to be replaced (e.g. computers, telephones, 2-way radios, etc.)?

Response: Refer to answer provided for questions # 8 and # 9.

44. What is the current annual Uniform budget or reimbursements for the last 2 years?

Response: The City anticipates that each Operator will propose the optimal level of staffing they feel is required to meet the scope of work outlined in the RFP, and that all staff members will be uniformed to reflect a first-class parking operation.

45. Is the City open to having the selected vendor upgrade some existing equipment (valet podiums, signs, cones, etc.) as a reimbursable cost?

Response: Yes, the City will consider recommendations.

46. Is the City open to the selected vendor implementing mobile technology solutions as a reimbursable expense?

Response: Yes, the City will consider recommendations; however, approval in writing must be obtained prior to implementation.

47. What is the current and/or projected annual training budget for the Ambassador Program?

Response: The City will determine this at later time.

48. What is the Marina Collection Procedure referenced in Section 6.3 a-5?

Response: This is not referenced in the RFP or sample Agreement; possibly from another RFP?

49. How many POD Units are available? Who is the manufacturer?

Response: This is not referenced in the RFP or sample Agreement; possibly from another RFP?

50. Is the current operator under the policy as described in 6.3 D7? If so, what is the annual amount of unaccounted tickets for which the operator is currently reimbursing the city?

Response: This is not referenced in the RFP or sample Agreement; possibly from another RFP?

51. Section 11 -A6. As with the question above, is the current operator under the policy as described in this item? What are the annual damages?

Response: This is not referenced in the RFP or sample Agreement; possibly from another RFP?

52. Is there an Exhibit G available as referenced in Item 17A?

Response: This is not referenced in the RFP or sample Agreement; possibly from another RFP?

53. Since there is not a current request to provide additional maintenance services, can we assume that the following are not currently in practice and part of the RFP's Scope of Work: Power sweeping, power washing, lighting maintenance, fire extinguisher and sprinkler maintenance, striping, CO2 Sensor maintenance, elevator

maintenance, landscaping, parking control equipment maintenance, and emergency lighting?

Response: Yes, correct as stated above.

54. What specific subcontract work is currently being provided under the prime parking contractor?

Response: This is not referenced in the RFP or sample Agreement; possibly from another RFP?

55. Is there a standard Excel cost sheet to be used in order to standardize and uniformly format the proposal cost?

Response: An Excel file was provided to each Operator with the invitation to bid; furthermore, a completed Excel file must be included with each Operator's submittal response.

56. Would the City like to receive company financials with the proposal? If so, what years? Audited?

Response: No

57. Are current parking employees working under a union agreement?

Response: Refer to the answer provided for question # 4.

58. In order to evaluate worker retention, may we please have a current schedule of employees and rates?

Response: Refer to the answer provided for question # 25.

59. It's unclear which locations the Operator shall be managing valet, cashiering and monthly permit billing. Please itemize the following:

- Valet Locations & # of Hours at Each Location Weekly
- Cashiering Locations & # of Hours at Each Location Weekly
- Maintenance Locations & # of Hours at Each Location Weekly
- Monthly Permit Billing & # of Hours Weekly to perform this function

Response: Refer to Exhibit A: sample Parking Services Agreement, page 1.

60. Staffing Schedules & Pay Rates: Please provide current staffing schedules by location, along with current pay rates and the date of the next anticipated pay increase. How many employees receive health benefits? Are health benefits a requirement for full-time employees?

Response: Refer to answers provided for questions #25, # 26, #42.

61. Will any vehicles be necessary to perform the work, including maintenance?

Response: A vehicle is not necessary to perform the work; furthermore, a vehicle is not provided by the City. While a vehicle could be helpful for the GM or the PM to move between the locations, the distance between the two main locations is only 4 blocks, and walking in Beverly Hills can be faster than driving and parking.

62. What is the anticipated number of annual events at the Annenberg that will require valet staffing.

Response: Refer to the answer provided for question # 37.



63. If the Operator is responsible for HVAC, PARC equipment, please provide detailed equipment lists by facility, installation dates and PM agreements.

Response: As stated in the RFP, the City shall maintain the above items; Operator shall be responsible for notifying the City and/or PARCS equipment vendor when problems or unusual circumstances occur.

64. Number of total monthly parking contracts issued by facility, and number of accounts (e.g. 2,200 permits within 1,500 accounts).

Response: Refer to the answer provided for question # 31.

65. List of office equipment the City does not own but is required to operate, as the operator must estimate start-up costs (SOS-K, i), including the telecommunication equipment / radios needed.

Response: Operator shall propose an approximate start-up budget for equipment, over and above existing (City owned) equipment, needed to operate and maintain the Facilities.

This exercise is intended to provide the City with an approximate cost estimate of additional start-up expenses required by each Operator. As stated in the sample Agreement, some offices may be partially equipped with items owned by the City, which shall be inventoried, utilized by the Operator, and remain as property of the City upon termination of the Agreement.

66. Are signage changes reimbursable?

Response: Yes; however, signage replacement should not be required, as the existing signs do not contain the Operators' name or logo.

67. Who funds the "change bank" for the Pay Stations and Cashiers? How much are the amounts required by the Operator?

Response: Refer to the answer provided for question # 18.

68. Performance Criteria-(diii): Please clarify the financial obligation for the statement of auditing standards; is this reimbursable?

Response: The City requires a Service Organization Control report (SOC 1 – Type 2). The report is an examination engagement undertaken by a service auditor to report on controls by an organization that provides services to user entities when those controls are likely to be relevant to the user entities' internal control over financial reporting. Typically, the vendor will pay an auditor to prepare the report for their organization, which then can be used with existing and potential clients.

69. Banking Terms, Section 4, Page 3 of Sample Contract and Form C. The City shall pay Operator a one-time operating advance for one-time start-up costs. Would the City agree to include two months' operating costs as well?

Response: The City will consider a two-month advance of projected operating expenses.

70. Operating Expenses, Section 3, Page 2 of Sample Contract and Form B. Operator shall propose a not to exceed amount of actual direct operating expenses (Form B) for the initial and extended terms that will be subject to reimbursement. Since this is for the entire term and option periods, and Operator has no termination rights, can

reasonable increases be allowed by mutual consent, and allow increases imposed by governmental agencies, unions, sales tax implementation and insurance increases?

Response: If an Operator feels that annual increases are appropriate, this fact should be reflected in their proposed cost budget submittal.

71. Term, Section 2, Page 2 of Sample Contract. The term is 3 years with 2 one-year renewals at the City's sole discretion. Operator should have the right to consent to any renewal term, can this be allowed?

Response: The City will consider allowing the Operator's right to consent.

72. The RFP states a month-to-month contract following the initial term, as opposed to the contract stating 1 year renewals? See Section 5(b), Page 11 of RFP.

Response: The option years are intended to be on an annual and not month to month basis.

73. Management Fee, Section 3, Page 2. Hourly Rate for Valet Services, Exhibit F of Sample Contract. There is an Hourly Fee for labor and a Management Fee. Please confirm which category Worker's Compensation should be placed.

Response: The hourly rate proposed for each category should include all of the Operator's costs including workers compensation and the Operator's profit.

74. Hourly Rate for Added Services, Exhibit E of Sample Contract. This rate for additional labor contracted for should not include insurance, what about Worker's Compensation?

Response: Refer to the answer provided for question 73.

75. Section 5 - Specifications: Maintenance, Power sweeping and steam cleaning are outlined as pass-through expenses. Please provide the current costs for these services, or at least sample cost structures.

Response: Power sweeping is currently done by Able Building Services, and the cost is paid through an Agreement with the City.

76. R&M, Sections 6, Pages 3 of RFP. If the Operator's primary function is supplying the valet labor, please confirm who is providing R&M obligations as set-out in Section 11, Pages 9-10 of Exhibit A of the Sample Contract, which includes maintaining and repairing the exhaust and telecommunications systems, the PARCs equipment and "special maintenance activities". Since "special maintenance activities" is a broad term, and yet the City is responsible for structural R&M, can the City specify exactly what functions the Operator is responsible for, and what the historic costs have been for each of those categories.

Response: The Operator's R & M obligations pertain only to the Public Gardens at the Montage Hotel and the 450 N. Crescent facilities. Historically, the annual cost has been under \$7,000 for both locations, and the cost has been treated as a pass-through expense.

77. Please also confirm the City is responsible for all structural R&M, which includes all non-routine repairs, replacements, upgrades, improvements and structural repairs.



Response: The City is responsible for all costs related to structural repairs and maintenance.

78. Insurance, Section 13, Pages 4-5 of Sample Contract. (a) Any deductibles or self-insured retentions are required to be approved by the City. At the option of the City, Operator shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Operator shall procure a bond guaranteeing payment of losses or expenses. Would this bond be in addition to the bonds that are already required under the RFP (See #11 below)? Since the cost of insurance is the Operator's responsibility, shouldn't it be enough the Operator demonstrates its ability to satisfy deductibles it carries?

Response: Proof of insurance at the limits stated in the RFP is sufficient.

79. Records, Section 6(f), Pages 21-22 of RFP. Operator is required to retain all records, including tickets, for an unlimited period of time. Is the City providing storage for tickets and deposit records?

Response: The required time to retain tickets in the RFP is three years; additionally, the City will make every effort to provide on-site storage space for tickets and related facility paperwork.

80. Can length of time for tickets be limited to one year?

Response: The minimum acceptable time for retention is two years; however, three years is preferred by the City.

81. If Operator is not providing cashiering functions, then would tickets / deposits apply?

Response: Operator will manage full-service operations at Public Gardens and 450 N. Crescent, and POF collection services at 9333 W. 3rd Street. These operations will entail management and ticket processing responsibilities. Revenue collected from pay stations at Public Gardens and 450 N Crescent Drive is expected to be deposit the next business day.

82. Equipment, Sections 7 and 11(xi), Pages 9-10 of Exhibit A of Sample Contract. (a) What equipment is the operator responsible for purchasing; which of these items are not reimbursable; will the non-reimbursable equipment be subsequently owned by the City?

Response: Refer to the answer provided for question # 65.

83. Is the City's revenue control equipment PCI compliant?

Response: Refer to the answer provided to question #6.

84. Is the Operator using the credit card equipment?

Response: No, the Skidata equipment contains credit cards acceptors; additionally, the current operator also accepts on-line payments via credit card for monthly contract parking.

85. Will the Operator need to test the equipment for PCI compliance? If so, and any testing reveals the need for new or upgraded software or equipment, will the cost of this new or upgraded software or equipment be reimbursed by the City (outside of the capped reimbursable operating expenses)?

Response: Refer to the answer provided to question #6.

86. Employment Requirements, Pages 7-9, Exhibit A of Sample Contract. It's not clear how the BHCVB Ambassador Program (See Exhibit B to the RFP) fits into the training requirement?

Response: Information on the Ambassador Program was provided to reflect the level of customer service the City is expecting the successful Operator to implement maintain throughout the term of the Agreement, when managing the Facilities and/or the various valet parking operations included in the RFP.

End of Addendum #1